



Property Casualty Insurers
Association of America

Advocacy. Leadership. Results.

STATEMENT

PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

H.B. No. 7126– AN ACT CONCERNING TRANSPORTATION NETWORK COMPANIES

COMMITTEE ON INSURANCE AND REAL ESTATE

March 2, 2017

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on House Bill No. 7126. PCI is a national property casualty trade association comprised of nearly 1,000 member companies. PCI member companies write 36% of all property casualty insurance sold in Connecticut.

While PCI has concerns with some of the specific language related to insurance in this bill, PCI generally strongly supports the passage of legislation to establish insurance requirements for transportation network companies (TNCs) because it is important that clear rules are set forth relative to the insurance requirements for TNCs. PCI supports innovation in the transportation industry, such as TNCs, just as we support innovation in the insurance industry. PCI and our insurance industry partners have come to an agreement with the TNCs on the national level relative to the necessary insurance requirements and the agreement has been incorporated into model legislation adopted by the National Conference of Insurance Legislators (NCOIL). It is important from a clarity and multi state uniformity perspective, that TNC insurance laws across the nation match the provisions of the NCOIL model legislation to the greatest degree possible and PCI would urge that consideration be given to revising the language of this bill so that it matches the provisions of the NCOIL model (see HB 5523 of last year for provisions in accordance with the NCOIL model).

The NCOIL model ensures that there is clarity relative to which insurance policy covers during TNC activity and ensures that there are no gaps in coverage. Establishing these clear rules will prevent confusion and costly disputes relative to insurance issues relating to TNCs. These provisions, along with the provisions providing disclosure to drivers and other clarifying provisions will help to protect Connecticut residents who use or drive for TNCs. It should be noted additionally, that these provisions also provide for flexibility for TNC insurance products so as to ensure that the market is able to innovate going forward.

To date, 43 states have recognized the need to have clear provisions on the books relative to TNC insurance requirements and have passed laws regulating TNCs, most of which closely track the NCOIL model language, and bills are pending in most other states. By passing a bill along these lines, Connecticut will join these states in ensuring that there is clarity relative to TNC insurance provisions.

Other than ensuring that the insurance provisions in this bill coincide with the NCOIL model, PCI has one additional recommended change to the language of this bill. Section 2(e) specifies record retention requirements for TNCs and requires that individual trip records and driver records be maintained for at least one year. PCI would submit that this records retention period is not long enough and that records should be required to be retained for at least as long as the longest potentially applicable statute of limitations, which would likely be the six year statute of limitations for written contract actions. Accordingly, PCI would urge that this provision be revised to require records to be maintained for at least six years.

Accordingly, for the foregoing reasons, PCI urges your Committee to revise the insurance provisions in this bill in accordance with the NCOIL model language and to advance this legislation.